



April 23, 1997

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William F. Caton, Secretary Federal Communications Commission Room 222 1919 M Street, NW Washington, DC 20554

Re:

Access Charge Reform

CC Docket No. 96-262/

H. Brian Thompson Letter 4-21-97

Dear Mr. Caton:

On behalf of LCI International Telecom Corp., please take notice that on April 22, 1997, Anne K. Bingaman, President Local Telecommunications Division - LCI, and Howard Susskind of International Protocol, Inc., met with Commissioner James Quello and Commissioner Quello's Advisor, James Coltharp, FCC, regarding the above mentioned docket and document.

In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this notice and attachment are provided for inclusion in the public record.

Sincerely,

Gregory M. Caséy, Esq.

Vice President, Carrier Relations &

Regulatory Affairs

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## LCI International® Worldwide Telecommunications

H. Brian Thompson Chairman of the Board Chief Executive Officer

Chairman Reed Hundt
Commissioner James H. Quello
Commissioner Rachelle Chong
Commissioner Susan Ness
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

April 21, 1997



Dear Chairman Hundt and Commissioners:

On April 16, 1997, the Coalition for Access and Universal Service Reform set forth a proposal to resolve the current impasse surrounding access and universal service reform.

Today, long distance companies pay access charges that are exorbitantly above cost, as well as supporting universal service by way of implicit subsidies, in direct contradiction of the Telecommunications Act of 1996. LCI International believes the proposal set forth by the Coalition balances the concerns of consumers and businesses by gradually replacing today's excessive access charges with access charges based on forward looking costs -- costs that are reflective of a competitive market. The plan also proposes to recover universal service support on an explicit and competitively neutral basis, as required by law.

LCI supports the great majority of the Coalition's proposal, including:

- Reinitialization of interstate access rates to yield a return of 11.25%.
- Increasing the productivity adjustment to 7.5%.
- Reducing the transport interconnection charge to 20% of the current level.
- Reducing access charges to TELRIC.
- Reducing terminating access charges more quickly than originating access charges.

There are various areas in which LCI believes the proposal can be improved:

- LCI believes it is reasonable to ask all parties, including consumers, to pay a fair and reasonable fee to support the wiring of schools and libraries (similar to the AT&T/Bell Atlantic/NYNEX proposal).
- LCI believes that there is no question that the competitive nature of the long-distance market will ensure that access reductions find their way into market based prices.
- LCI believes that all non-traffic sensitive costs should be recovered on a per line basis, not a minutes-of-use basis.
- LCI urges the FCC to adopt the existing interim transport rate structure as the permanent structure, so as not to discriminate against smaller carriers.

LCI also believes the Commission should strongly reaffirm its support for the "Network Platform" required in its August 1, 1996 First Report & Order, CC Docket 96-98, Secs. 328-365, and state clearly that access charges can be avoided once the platform is both operationally available and economically feasible for competitors to use. Implementation of the platform should be a pre-requisite for Sec. 271 entry.

LCI strongly encourages the FCC to objectively review the proposal set forth by the Coalition for Access and Universal Service Reform and that any proposal adopted by the Commission must include, as lead proposals in the industry include, a significant long-term reduction in access charges by bringing them to TELRIC.

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H. Brian Thompson

Chairman & Chief Executive Officer

